

TABLE OF CONTENTS

FOREWORD	i
TABLE OF CONTENTS	iii
INTRODUCTION	vii
FIGURES	viii
TABLES	xii
Chapter 1	Introduction and Summary
0101	General 1-2
0102	Background 1-2
0103	Policy 1-2
0104	Coverage 1-3
★ 0105	Effective Date 1-3
0106	Department of Defense (DoD) Reporting Entities 1-3
0107	Content of Audited Financial Statements 1-5
0108	Financial Statement Audits 1-9
Chapter 2	General Instructions for the Financial Statements
0201	Responsibility for Preparing Financial Statements 2-3
★ 0202	Reporting Schedule 2-7
0203	Management Representation Letters 2-12
0204	Legal Representation Letters 2-14
0205	General Preparation Instructions 2-17
Chapter 3	Overview and Other Accompanying Information
0301	Introduction 3-3
0302	Organization and Presentation of the Overview 3-4
0303	Other Accompanying Information 3-7
Chapter 4	Balance Sheet
★ 0401	Formats for the Balance Sheet 4-3
0402	Instructions for the Preparation of the Balance Sheet 4-9
Chapter 5	Statement of Net Cost
0501	Format for the Statement of Net Cost 5-2
0502	Instructions for the Preparation of the Statement of Net Cost 5-5

0503	Program Presentation	5-9
Chapter 6	Statement of Changes in Net Position	
0601	Format for the Statement of Changes in Net Position	6-3
0602	Instructions for the Preparation of the Statement of Changes in Net Position	6-6
Chapter 7	Statement of Budgetary Resources	
★ 0701	Format for the Statement of Budgetary Resources	7-1
★ 0702	Instructions for the Preparation of the Statement of Budgetary Resources	7-5
Chapter 8	Statement of Financing	
★ 0801	Format for the Statement of Financing	8-1
★ 0802	Instructions for the Preparation of the Statement of Financing	8-4
Chapter 9	Statement of Custodial Activity	
0901	Format for the Statement of Custodial Activity	9-2
0902	Instructions for the Preparation of the Statement of Custodial Activity	9-3
Chapter 10	Notes to the Financial Statements (to be provided separately)	
★ 1001	General	10-5
★ 1002	General Note Instructions	10-6
★ 1003	Note 1. Significant Accounting Policies	10-8
★ 1004	Note 2. Nonentity and Entity Assets	10-25
★ 1005	Note 3. Fund Balances with Treasury	10-27
	1006 Note 4. Investments	10-30
	1007 Note 5. Accounts Receivable	10-32
	1008 Note 6. Other Assets	10-34
	1009 Note 7. Cash and Other Monetary Assets	10-37
	1010 Note 8. Direct Loans and Loan Guarantees, Nonfederal Borrowers	10-38
	1011 Note 9. Inventory and Related Property, Net	10-61
★ 1012	Note 10. General Property Plant and Equipment (PP&E), Net	10-73
	1013 Note 11. Liabilities Not Covered and covered by Budgetary Resources	10-77
★ 1014	Note 12. Accounts Payable	10-79
	1015 Note 13. Debt	10-82
	1016 Note 14. Environmental Restoration Liabilities & Environmental Disposal Liabilities	10-83
★ 1017	Note 15. Other Liabilities	10-108
	1018 Note 16. Commitments and Contingencies	10-117
	1019 Note 17. Military Retirement Benefits and Other Employment Related Actuarial Liabilities	10-119
1020	Note 18. Unexpended Appropriations	10-124

1021	Note 19. Disclosures Related to the Statement of Net Cost (SoNC)	10-125
1022	Note 20. Disclosures Related to the Statement of Changes in Net Position	10-136
1023	Note 21. Disclosures Related to the Statement of Budgetary Resources	10-138
1024	Note 22. Disclosures Related to the Statement of Financing	10-142
1025	Note 23. Disclosures Related to the Statement of Custodial Activity	10-143
1026	Note 24. Other Disclosures	10-144
Chapter 11 Required Supplementary Stewardship Information Reporting		
1101	General	11-3
1102	National Defense Plant, Property, and Equipment	11-4
1103	Heritage Assets	11-5
1104	Stewardship Land	11-7
1105	Investment Nonfederal Physical Property	11-9
1106	Research, Development, Testing & Evaluation (RDT&E)	11-11
Chapter 12 Required Supplementary Information		
1201	Disaggregated Statement of Budgetary Resources	12-2
★ 1202	Deferred Maintenance	12-9
★ 1203	Segment Information	12-13
★ 1204	Intragovernmental Amounts	12-15
Chapter 13 Intragovernmental Eliminations		
1301	General	13-3
★ 1302	Background	13-3
★ 1303	Levels of Intragovernmental Trading Partners	13-6
★ 1304	Aggregation and Exchange of Intra-DoD Trading Partner Data on the Sale of Goods and Services	13-7
★ 1305	Intra-DoD Seller/Buyer Accrual Adjustment Calculation	13-10
1306	Recording Buyer Side Departmental Level Intra-DoD Transaction Balance Adjustments	13-10
★ 1307	Intragovernmental Fiduciary Transactions	13-13
1308	Transfers-In and Transfers-Out	13-17
1309	Prior Period Adjustments	13-18
★ 1310	Intragovernmental Capitalized Purchases	13-19
1311	Reconciliation with Level 1 Trading Partners	13-19
1312	Elimination of Budgetary Accounts (4000 Series Accounts)	13-20
1313	Trading Partner Codes	13-20
★ 1314	Accounts to be Eliminated	13-24
1315	Other Transactions	13-26
Chapter 14 Disclosure Checklist		
1401	General	14-1

★	1402	Disclosures Required by Statement of Federal Financial Accounting Standard (SFFAS) No. 1	14-2
★	1403	Disclosures Required by SFFAS No. 2	14-4
★	1404	Disclosures Required by SFFAS No. 3	14-5
★	1405	Disclosures Required by SFFAS No. 4	14-11
★	1406	Disclosures Required by SFFAS No. 5	14-12
★	1407	Disclosures Required by SFFAS No. 6	14-15
★	1408	Disclosures Required by SFFAS No. 7	14-19
	1409	Disclosures Required by SFFAS No. 8	14-25
★	Appendix A	Appropriation and Fund Symbols by Reporting Entity	A-2
	Appendix B	Reconciliation Requirements for the Annual Financial Statements	B-1
	Appendix C	General Ledger Crosswalk for the Balance Sheet	C-3
	Appendix D	General Ledger Crosswalk for the Statement of Net Cost	D-3
★	Appendix E	General Ledger Crosswalk for the Statement of Changes in Net Position	E-3
★	Appendix F	General Ledger Crosswalk for the Statement of Budgetary Resources	F-3
★	Appendix G	General Ledger Crosswalk for the Statement of Financing	G-3
	Appendix H	General Ledger Crosswalk for the Statement of Custodial Activity	H-2